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STATE PROCUREMENT OFFICE
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer
2. FROM: Kaulana H. R. Park, Chairman, Hawaiian Homes Commission

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

Under the Department of Hawaiian Home Lands (DHHL) contract 58871, the Bank of Hawaii, Kaunakakai Branch, a FDIC insured financial institution, was selected by Molokai Habitat for Humanity to disburse Native Hawaiian Housing Block Grant (NHHBG) federal funds to various contractors or vendors for Molokai Habitat for Humanity's self-help housing and rehabilitation project. This project provides assistance to eligible low-income native Hawaiian families under the Native American Housing Assistance and Self-Determination Act (NAHASDA).

4. Name of Vendor: Bank of Hawaii, Kaunakakai Branch

Address: P. O. Box 486 Hoolehua, HI 96729

5. Price:

\$195,300.00

- Loan Amount

6.

Term of Contract:

From: *your CPO approval at*
~~January 2010~~ To: January 2013

7. Prior Exemption Ref. No.

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8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State: Molokai Habitat for Humanity is the primary subrecipient of NHHBG funds under DHHL's contract #58871 and is the entity responsible for selecting the escrow company or financial institution identified in this contract. In addition, Molokai has limited access to viable escrow/disbursement company that is able to meet the needs of the program and comply with applicable NHHBG conditions. Based on their working relationship with the Bank of Hawaii, Kaunakakai Branch, Molokai Habitat for Humanity selected this bank to disburse 0% interest NHHBG loan funds for interim house construction via a dual signature, non-interest bearing, joint checking account. Disbursement will be made directly to contractors or vendors, as applicable, or to Molokai Habitat by way of reimbursement. It is neither practicable nor advantageous for the State to competitively procure for these services in this situation. There is no cost to DHHL for services to be rendered.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Molokai Habitat for Humanity is the primary recipient of grant funds under contract #58871 and is the entity responsible for selecting the escrow company or financial institution - not DHHL. Contract # 58871 (in the amount of \$263,500) includes language in the Scope of Work (#4.o.) and the Compensation and Payment Schedule (#4) for NHHBG loans. These funds are not part of the contract amount \$263,500 as per AG direction because the NHHBG loans will be repaid directly to DHHL and not to DHHL through Habitat. Again, the disbursement entity for these funds was selected by Habitat, at no cost to DHHL.

There is no end date for the contract. Work is expected to be completed within 12 months or as applicable for the completion of 10 homes, as budgeted.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

The following are enclosed with this SPO-07:

- 1.) DHHL's contract #58871 with Molokai Habitat for Humanity, Scope of Services (S-1), Compensation and Payment Schedule (S-2).
- 2.) "DHHL Loan/Guaranty Review prepared for Molokai Habitat for Humanity"

REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Kaulana H.R. Park	Chairman, Hawaiian Homes Commiss	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Anita Seyer-Wong	Deputy Director, DHHL	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Kamana'o Mills	Special Assistant	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Scottina Malia Ruis	Resource Management Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Warren Kasashima	HHL Accountant	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sharon Mendoza	HHL Mortgage Loan Specialist	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration

13. Direct inquiries to:	Department: Hawaiian Home Lands Contact Name: Scottina Ruis Phone Number: 808-620-9513 Fax Number: 808-620-9529
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. *I certify that the information provided above is, to the best of my knowledge, true and correct.*



Department Head

Date

Reserved for SPO Use Only	
15. Date Notice Posted _____	
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <div style="margin-left: 150px;"> Chief Procurement Officer State Procurement Office P.O. Box 119 Honolulu, Hawaii 96810-0119 </div>	
Chief Procurement Officer's comments: <p>Although no written delegated procurement authority is required for a <i>Request for Exemption from Chapter 103D, HRS</i>, it is noted that Ms. Scottina Ruis has not taken the appropriate required mandatory procurement training. As a reminder, Ms. Ruis cannot participate in procurement activities until the requirements of Procurement Delegation No. 2010-01 and Procurement Circular No. 2010-05, as appropriate have been met. This approval is for the solicitation process only, HRS section 103D-310(c) and HAR section 3-122-112, shall apply. This award is required to be posted on the Awards Reporting System.</p>	

16.

☒ APPROVED
 ☐ DISAPPROVED
 ☐ NO ACTION REQUIRED


 2/17/2011
 Chief Procurement Officer Date